

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 972 - SB 1476

March 14, 2021

SUMMARY OF BILL: Reduces the offense of knowingly possessing, casually exchanging, or distributing one-half ounce of marijuana or less from a Class A misdemeanor to a Class C misdemeanor.

Repeals the minimum mandatory fine for first and second convictions of misdemeanor drug offenses involving marijuana or hashish.

Institutes early release eligibility for nonviolent offenders convicted of Class A misdemeanor marijuana offense after 30 days.

ESTIMATED FISCAL IMPACT:

Decrease Local Revenue – Net Impact – \$373,800/FY21-22 and Subsequent Years

Decrease Local Expenditures – \$2,046,600/FY21-22 and Subsequent Years

Assumptions:

- The proposed legislation will reduce convictions for simple possession involving an amount of marijuana one-half ounce or less from a Class A misdemeanor to a Class C misdemeanor.
- Based on information previously provided by the Administrative Office of the Courts (AOC), there has been an average of 1,869 Class A misdemeanor convictions under Tenn. Code Ann. § 39-17-418 each year between 2015 and 2019. This analysis assumes that only 10 percent of misdemeanor convictions are at the state court level. As a result, it is estimated that there is a total of 18,690 convictions (1,869 / 10%) per year for misdemeanor violations of Tenn. Code Ann. § 39-17-418.
- The potential punishment for a Class A misdemeanor is up to 11 months, 29 days in jail, a fine up to \$2,500, or both.
- The potential punishment for a Class C misdemeanor is up to 30 days in jail, a fine up to \$50, or both.
- This analysis estimates 10 percent, or 1,869 (18,690 x 10%) of offenders, currently pay an average \$250 fine for simple Class A misdemeanor possession.
- Under this legislation, the minimum mandatory fine for first (\$250) and second (\$500) convictions of misdemeanor drug offenses involving marijuana or hashish is repealed.
- It is estimated those 1,869 offenders will pay an average of \$50 under this legislation.

- This will result in a net decrease of local revenue estimated to be \$373,800 (1,869 x (\$250 - \$50) in FY21-22 and subsequent years.
- This analysis assumes 10 percent of offenders are spending an average of 15 days in local jail for Class A misdemeanor convictions of Tenn. Code Ann. § 39-17-418.
- Based on the 2020 Fiscal Review Committee survey, the weighted average cost to local governments to house an inmate in a local jail facility is \$73 per day.
- This analysis assumes current Class C misdemeanor convictions are being punished by fine only.
- The proposed legislation will lead to a decrease in local incarceration expenditures estimated to be \$2,046,555 (\$73 x 1,869 offenders x 15 days) in FY21-22 and subsequent years.
- This legislation further establishes early release eligibility for nonviolent offenders serving a sentence for a Class A misdemeanor conviction for the possession, exchange, or distribution of marijuana after 30 days served.
- As this analysis assumes offenders that are convicted with jail time are spending an average of 15 days in local jail for Class A misdemeanor convictions of Tenn. Code Ann. § 39-17-418, it is estimated that early release eligibility under this legislation will not have a significant impact on the average sentence length served; therefore, it will not have a significant impact on local expenditures.
- The proposed legislation will not reduce the courts', district attorneys', or public defenders' caseloads enough to require a reduction in workforce.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Bojan Savic, Interim Executive Director

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